

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), Grade AA butter is unchanged at \$1.3450, Grade A increased 1/4 of a cent to \$1.2525, and Grade B is unchanged at \$1.2400. Also at the CME, barrel cheese decreased 1 3/4 cents to \$1.2425 and 40# blocks decreased 5 cents to \$1.2500.

According to NASS, March milk production in the 20 major states totaled 11.8 billion pounds, up 1.4% from output in these same states in March 1997. February revised production, at 10.4 billion pounds, was up 1.1% from February 1997. Production per cow averaged 1,529 pounds for March, 29 pounds (1.9%) above March 1997. The number of cows on farms was 7.73 million head, 38,000 head (0.5%) below March 1997 and 1,000 head below February 1997.

In January 1998, mailbox milk prices reported for selected Federal milk orders averaged \$14.34, \$.11 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$14.03, down \$.15; Southeast, \$15.59, up \$.02; Midwest, \$14.47, down \$.13 and West, \$13.67, down \$.09. Compared to January 1997, mailbox milk prices, on average, increased \$1.34 per cwt. Regional changes from the previous year were: Northeast +\$1.29, Southeast +\$.92, Midwest +\$1.45, and West +\$1.39.

During February, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.4% below the previous year but 0.7% above January 1998 on an adjusted daily average basis. Sales of whole milk items were 0.6% below the previous year and sales of lowfat and skim milk items were down 0.2%. Total fluid milk sales were higher in the Far West; lower in all other regions. Year-to-date (two month) comparisons show sales of whole milk items down 2.0%, lowfat and skim milk items down 1.0%, and total fluid items down 1.3% from year earlier figures.

Milk production ranges from sharply lower in parts of California to slightly

higher in the Northeast, Mountain States, and the Upper Midwest. Fluid milk supplies were burdensome over the Easter weekend and some loads of milk traveled great distances to find processing facilities. Manufacturing capacities were stretched and, as of Monday, some plants had trucks backed up waiting to unload weekend milk. Bottled milk sales are often reported as slow. Many states have schools on vacation this week and, in the South, winter residents are returning north.

The dry, dairy product markets are generally unchanged. With the exception of the Western dry whey, there isn't much strength in any market. Production of NDM is heavy and demand is seldom better than slow. The dry whey market isn't as weak as it was last week. Prices range from lower in the East, where demand is limited, to higher in the West, where demand is fair to good. Production of dry whey ranges from steady in the West to heavy in the Midwest and East. Offerings of Extra Grade whey in the West are often lighter as there have been increasing offerings of off-spec powder that has some end use limitations. The WPC and Lactose markets are unchanged.

During the week of April 13 - 17, CCC purchased 3,917,494 pounds of NDM under the price support program. Purchases were from Midwest and Western sources. This week's NDM purchase is the largest weekly total since the week of January 19-23.

\*\*\*\*SPECIAL THIS ISSUE\*\*

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BUTTER MARKETSCHICAGO WHOLESALE

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	APRIL 14	APRIL 16	APRIL 17
AA	\$1.3350 - 1.3450	\$1.3350 - 1.3450	\$1.3350 - 1.3450
A	\$1.2400 - 1.2500	\$1.2400 - 1.2500	\$1.2400 - 1.2500

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** In cash trading at the CME, Grades AA & B butter are unchanged and Grade A is up fractionally. Butter markets remain mixed. Cream volumes available churns vary depending on ice cream production. In most areas, cream is sufficient to maintain active churning schedules. Butter stocks are reported to be fully adequate for current buyer interest. Handlers are stating that Lenten/Easter/Passover orders were good. Future orders are anticipated to be lighter and for fill-in or short term needs only.

CHICAGO MERCANTILE EXCHANGEBUTTER TRANSACTIONS ON FRIDAY, APRIL 17, 1998

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	N.C.	\$1.3450 : SALE 03/27/98
A	+.0025	\$1.2525 : BID 04/17/98
B	N.C.	\$1.2400 : BID 03/13/98

SALES: NONE

BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.2700, 1 @ \$1.2000  
5 CARS GRADE A: 1 @ \$1.2525 (LST),  
1 @ \$1.2100, 2 @ \$1.2000, 1 @ \$1.1800

OFFERS UNCOVERED: NONE

CHEESE MARKETSWISCONSIN ASSEMBLY POINTS

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	APRIL 13 - 17, 1998
BARRELS*	\$1.2500 - 1.2800 (NOMINAL)
40# BLOCKS	\$1.3000 - 1.3300 (NOMINAL) (-.0400) (-.0500)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is weak. At the Chicago Mercantile Exchange, barrels declined 1.75 cents to \$1.2425 and 40 pound blocks declined 5 cents to \$1.2500 in light trading. Demand is typically slow as often occurs after price declines and/or holidays. Offerings are heavy as many plants continued to operate on extended schedules well after the holiday weekend. CCC cheese invitations for June purchases are found on page 13 of this report.

CHEESE TRANSACTIONS ON THURSDAY, APRIL 16, 1998

(CARLOAD UNIT = 40,000-44,000 LBS.)

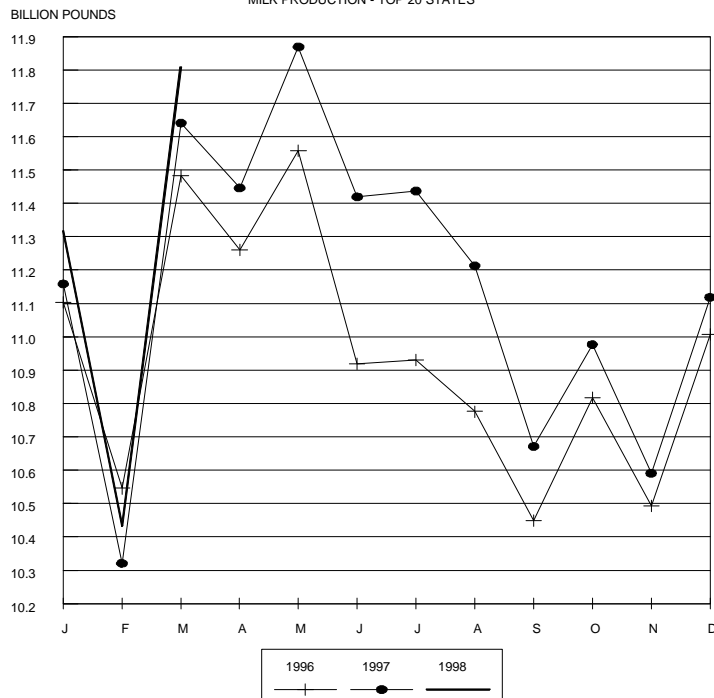
CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	-.0175	\$1.2425 : OFFER 04/16/98
40# BLOCKS	-.0500	\$1.2500 : OFFER 04/16/98

SALES: 2 CARS BARRELS: 1 @ \$1.2450, 1 @ \$1.2550

BIDS UNFILLED: NONE

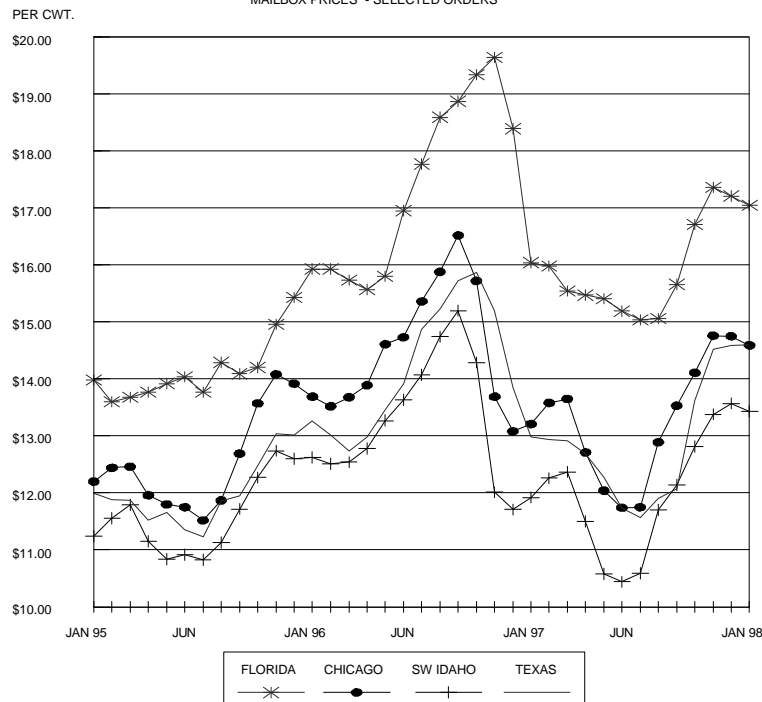
OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$1.2425 (LST),  
1 @ \$1.2450, 2 @ \$1.2550, 1 @ \$1.2600  
17 CARS 40# BLOCKS: 3 @ \$1.2500 (LST),  
2 @ \$1.2575, 3 @ \$1.2725, 3 @ \$1.2975,  
6 @ \$1.3000

MILK PRODUCTION - TOP 20 STATES



NASS DATA, GRAPH BY DAIRY MARKET NEWS

MAILBOX PRICES - SELECTED ORDERS



## PRINT BUTTER MARKETS - GRADE AA

## NORTHEAST

Eastern print butter prices are unchanged. Churning schedules over the past holiday weekend were heavier as cream supplies were more available to churns. Stocks of butter are reported to be readily available for current needs. Orders this week are lighter as most buyers assess inventories prior to reordering. Most butter buyers anticipate prices to weaken in the near future, thus they are hesitating to place large orders. In most instances, buyers will be purchasing for short term or immediate needs.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.5550-1.8025
1 LB. PRINTS	:	1.4700-1.6525
CHIPS/PATTIES	:	1.5325-1.7400
REDDIES	:	1.6075-1.8025
CONTINENTALS	:	1.6875-1.8625

## CENTRAL

Central States print butter prices are unchanged, although the market tone remains mixed. Producers and handlers have varying opinions as to the direction of the butter markets now that the Easter/Passover holiday is past. Some are stating that the market will remain steady while others predict weakness. Buying interest this week is light as buyers assess inventories following the holiday and many buyers anticipate weaker prices in the near future. Stocks are reported to be in good balance for current, fair at best demand.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	:	1.4450-1.8525
1 LB. PRINTS	:	1.4100-1.5725
CHIPS/PATTIES	:	1.4350-1.6450
REDDIES	:	1.5200-1.7550
CONTINENTALS	:	1.6750-1.8650

## WEST

Western print butter prices continue to hold steady. Bulk butter is moving at prices ranging from 2 - 4 1/2 cents under. Most contacts were pleased at the amount of print butter sold for the Easter holiday, especially noting the feature prices in relation to past years. Bulk butter orders continue to come in both for current needs and for storage. Feelings are mixed in the region as to whether the market price will hold or move lower. Cream demand from ice cream plants remains light. Most cream continues to enter the churns.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.6250-1.6925
1 LB. PRINTS	:	1.5550-1.6200
PATTIES	:	1.5975-1.7625
REDDIES	:	1.7225-1.7400

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.3400-1.3900
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	: CHEESE
		:
04/13/98	11,226	: 113,619
04/01/98	9,869	: 112,654
CHANGE	+1,357	: + 965
% CHANGE	+ 14	: + 1

## NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	40# BLOCKS			640# BLOCKS		BARRELS (adjusted to 39% moisture)		
	MN/WI	WEST	U.S.	U.S.		MN/WI	OTH STATES	U.S.
APRIL 10	1.3633	1.3209	1.3331	1.3655	1.2764	1.2764	1.2387	1.2544
	1,129,092	3,996,999	5,622,808	794,294	3,993,563	5,457,377		9,450,940

Further data and revisions may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

## CHEESE MARKETS

## NORTHEAST

Prices are unchanged to generally lower on cheddar and muenster, unchanged on process and Swiss. The market tone is unsettled to weak after the 5 cent decline in the Chicago Mercantile Exchange block price. The possibility of lower prices, combined with early holiday sales results, has many buyers delaying purchases, waiting for additional developments. Cheese production was heavy over the holiday weekend, adding to already growing cheese offerings.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3975-1.7825
Cheddar Single Daisies	:	1.3675-1.7875
Cheddar 40# Block	:	1.4375-1.5975
Process 5# Loaf	:	1.4700-1.6250
Process 5# Sliced	:	1.4900-1.6550
Muenster	:	1.4800-1.9550
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

The cheese market is weak to unsettled. At the Chicago Mercantile Exchange on April 9, barrels held steady at \$1.2600 and 40# blocks declined 5 cents to \$1.3000. Overall buying interest is mixed, but usually slower than in recent weeks. A few cutter/processors reported increased schedules on a few lines, but overtime is not needed to fill orders. Natural American sales remain mostly sluggish and prices remain very competitive. Producers are clearing extra loads of cheddar at the Mercantile cash market. Swiss sales continue lackluster and producers have reduced prices/increased promotional allowances and/or reduced production to keep inventories from accumulating. Cheese production increased at many locations over the holiday weekend due to the availability of surplus milk. Extended schedules at some locations continued after the weekend due to sluggish Class I sales. At some locations, milk receipts appear to be running at levels normally associated with late April/early May.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4975-1.7200
Brick And/Or Muenster 5#	:	1.6700-1.7725
Cheddar 40# Block	:	1.5650-1.9150
Monterey Jack 10#	:	1.7650-1.9150
Blue 5#	:	1.9175-2.2100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6800-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2800-2.4850

## WEST

Process cheese prices are generally steady, while Swiss and natural prices are lower. The decline on block cheese did not surprise many Western contacts. Current blocks are readily available in the region. Buying interest is slow at best. Buyers for process cheese are operating in a hand to mouth fashion. Stocks are relatively current so far. Mozzarella sales remain very good for this time of the year. Swiss sales are disappointing for most contacts. Production and stocks are both up while demand is slow. Cheese production was higher than anticipated at many locations over the Easter holiday period.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4500-1.6900
Cheddar 40# Block	:	1.4825-1.6700
Cheddar 10# Cuts	:	1.7175-1.8225
Monterey Jack 10#	:	1.6775-1.7850
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.4500

## FOREIGNTYPE

Prices are unchanged on imports, unchanged to mostly lower on domestic products. Current movement is generally sluggish right after the holidays as buyers reassess current stocks. Offerings are adequate for the slow to fair interest.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6350-2.2450*
Gorgonzola	: 3.2400-5.9400	: 2.3000-2.4950*
Parmesan (Italy)	: TFEWR	: 3.0450-3.0825*
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.3075-1.8350*
Romano (Cows Milk)	: -0-	: 2.8325-3.0850*
Sardo Romano (Argentine)	: 2.6500-3.2900	: -0-
Reggianito (Argentine)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Northeastern Milk Market Administrators announce March 1998 uniform (blend) prices: Federal Order (F.O.) 1 is \$14.10; F.O. 2, \$13.89; F.O. 4, \$14.38; F.O. 36, \$14.11; and Western NY Milk Market Area, \$13.94. Milk production is steady to heavier in most of the region. Output in the Deep South is holding at or near the seasonal peak while milk production is increasing from the Middle Atlantic area and north. Fluid milk supplies are excessive and surplus volumes are burdensome. Most manufacturing plants are at or beyond capacity and there is still milk looking for homes. Florida handlers shipped out 31 loads by Tuesday and buyer cancellations have, by Wednesday, created an additional 15 - 20 loads to be cleared. In Pennsylvania, it was reported that one plant had over 40 trucks lined up, waiting to unload. This surge in surplus milk volumes was created by a combination of increasing production, lighter demand, and the limited number of balancing plants in the Northeast. Many states have schools on vacation this week and bottled milk demand is down accordingly. In the Deep South, most of the winter tourists/residents have left and milk consumption is off. The condensed skim market is weak and prices are lower. Some distressed loads were reported at prices below the range. Any additional loads being offered were finding few buyers or homes. Spot demand for wet solids is limited and pricing is very competitive. Most suppliers would rather move the solids as a liquid rather than dry it. The fluid cream market is generally unchanged. Offerings range from well balanced to long. With all the milk available, cream offerings are increasing. Demand is steady, but ranging from slower to improved. The improved demand seems to stem more from lower multiples than from anything else. Production of sour cream, dips, and bottled cream are all slower. Ice cream and cream cheese output is about steady. Cooler weather in the urban areas of the Northeast has slowed ice cream consumption. Churning activity is heavy at most plants.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.6500 - 1.8250	
Delivered Equivalent Atlanta	-	1.6000 - 1.8896	M 1.6250 - 1.7250
F.O.B. Producing Plants: Upper Midwest	-	1.7125 - 1.7750	

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.9500 - 1.1300
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## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
APRIL 10 - 16, 1998	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1997	0

Class I interest was mixed, generally lighter. Bottlers with school accounts were lighter as many systems were closed for one or more days. Retail promotional activity aided sales at some locations. Fluid supplies were ample over the holiday weekend and most plants still operated on extended schedules at midweek in order to clear offerings. The number of loads from Southern sources into upper Midwestern manufacturing plants increased last week and has continued well into this week. Reported manufacturing milk prices were lower, from \$1.00 below to \$0.15 below class/MCP delivered, mostly at the lower price end. Some unconfirmed reports indicate prices on some Southern loads at \$2.00 or more below class. Cream interest is good from ice cream accounts with prices up slightly on the low end of the range. Milk receipts are increasing through most of the region, reducing the capacity of most plants to handle outside milk. A few more plants are back on full 7 day schedules. Initial March estimated milk production in selected Midwestern states compared with March 1997 is: Wisconsin 1.95 billion pounds, up 53 million

pounds (2.8%); Minnesota 807 million pounds, down 10 million pounds (1.2%); Michigan 459 million pounds, off 6 million pounds (1.3%), and Iowa 350 million pounds, an increase of 6 million pounds (1.7%). Milk cow numbers were below year ago levels in all these states, while average production per cow was higher. Some oats/seeding, fertilizing, and field preparation was accomplished between showers but by midweek, wet fields again stopped progress. Many fields now have ponds after recent showers.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 41.00	\$ 38.00- 44.00
REPLACEMENT HEIFER CALVES	\$120.00-160.00	\$105.00-150.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 9 - 15	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.50- 42.00	\$ 38.00- 44.50

## W E S T

U.S. milk production in the 20 states surveyed totaled 11.8 billion pounds in March, 1.4% higher than March 1997. February 1998 production was revised lower to 1.1% above 1997 levels. Cow numbers in March were 7.725 million head, down 38,000 (-0.5%) from a year ago. Milk per cow was 1.9% higher. Output in the five Western states surveyed compared to 1997 is: Arizona, -6.1%; California, +2.9%; Idaho, +15.9%; New Mexico, +1.4%; and Washington, -1.8%. Looking at all eleven Western states for the first quarter of 1998, seven have a lower milk output compared to last year and only four are higher. Furthermore, of the seven states that had lower milk output, six have fewer cows in the milking herd compared to the first quarter of 1997. Milk production in California is being affected by cool and wet weather conditions in many areas of the state. In the northern milk producing areas, milk output is noted to be double digit percent lower than a year ago. Pasture growth is good, but wet conditions are preventing grazing. Feed availability is less than desired because cows were anticipated to have been on grass by now. Some cows are as anxious as their owners to get on the spring grass. In the central and southern areas of the state, milk is noted by some contacts to be slightly lower than last year. Harvesting of hay crops and green chop is being delayed by the continued moisture. In New Mexico, milk production is improving as weather conditions and feed availability are conducive. Production per cow is indicated to be improving following lower levels earlier in the year. Arizona production levels are still lagging behind a year ago. Part of the decline is attributed to the higher number of dry cows due to lower settling rates during the heat last year. The wet conditions of recent months have also had an impact. Cream demand is fair to good with multiples ranging in the 130 to 140 range. Usage in ice cream is increasing seasonally. Most contacts are categorizing the spring as fairly normal in the Pacific Northwest. Some areas are cooler and wetter than normal, but that is possible any year. The snow pack is now generally more than 100% across the region which will mean plenty of water for summer irrigation. Pastures, hay fields, and cropping practices are all about two weeks ahead of normal. Feed prices are declining and many producers have the majority of their needs booked out a year in advance. Hay growers are assessing their inventory situations and are realizing that the mild/open winter meant that hay consumption was much below anticipated levels. Offerings are increasing to try and clear some additional stocks before the new crop hay enters the market across the region. Milk production is strong seasonally with more milk than most had expected to be offered to manufacturing plants over the holiday weekend. Snow and cold conditions have returned to northern Utah. Feed lots had been in good shape before this latest moisture hit, so the expectation is that milk production will not be hurt very much. Conditions are better in southern Idaho with milk production very strong. Many plants are running seven days at this time before the spring flush.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/16/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are lower in a weak market. Available supply surpasses the very slow demand. The large volumes of NDM being offered to the CCC under the price support program continue to be the focus of sales activity. Producer and reseller stocks are long and many will negotiate price in order to avoid building additional inventories. Production levels are often heavier as milk output increases seasonally.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: .10200 - 1.0625 MOSTLY: 1.0275 - 1.0375

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged and nominal due to light trading activity. The market tone is quiet. Offerings can be found throughout the marketplace, but there is limited buying interest. Some producers are storing product anticipating that demand will increase seasonally with ice cream production in upcoming weeks.

BUTTERMILK: .9325 - .9675

**DRY WHEY - CENTRAL**

Prices are unchanged in a mixed market. Demand was stimulated after last week's price drop. Many end users resumed buying patterns as they see the downside market potential as small. Active domestic sales mixed with Mexican export orders have allowed many producers to bring inventories back into balance. A few state that they are now sold out beyond contracts. However, offerings are still available, but not at the major discounts previously seen. Some sellers have even returned to slight premiums. Contacts reported quality problems in Western whey plants may affect demand in the Central region. Producers are more comfortable with current inventory positions. Production levels are higher at many plants.

NONHYGROSCOPIC: .2100 - .2400 MOSTLY: .2200 - .2250

**ANIMAL FEED WHEY - CENTRAL**

Prices are lower on milk replacer and roller ground; steady on standard and delactose. All prices remain nominal in light trading. Buying interest remains slow, especially from hog feeders. The majority of sales transactions are for limited volumes. Contacts stated that quality problems at a few Western edible whey plants are increasing production of feed grade whey. Therefore, a flush of offerings may be on the market soon. Current stocks are available and can be found without much effort. The roller ground market is steady and producers continue to be sold out beyond contracts.

MILK REPLACER: .1800 - .2100  
STANDARD: .1700 - .2000  
ROLLER GROUND: .2400 - .2450  
DELACTOSE (Min. 20% protein): .3400 - .3675

**LACTOSE - CENTRAL AND WEST**

Prices and the market tone are steady. Demand is fair. Spot sales are slower with the majority of activity centered on contracted accounts. Contract prices are holding steady and loads are moving on a timely basis. A number of downgraded offers are circulating in the market. Production levels are higher and stocks range from adequate to heavier than desired.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2600 MOSTLY: .2100 - .2200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged and the market undertone remains weak. Buying interest is scattered. Offerings are available through producer and resale channels and discounting is common. Contacts commented that some manufacturers are actively searching for buyers. Production levels are higher and stocks range from in balance to heavy.

EXTRA GRADE 34% PROTEIN: .5700 - .6200 MOSTLY: .6000 - .6050

**NONFAT DRY MILK - WEST**

Nonfat dry milk prices continue to decline for the low/medium heat range. The market tone remains weak. Offerings to the CCC under the price support program continue and are coming from more locations. Buying interest is very limited beyond contracts. DEIP orders are mostly filled. Some contacts are talking about canceled DEIP deals being reallocated. The likelihood of that happening is unclear. Producers are finding no to very little interest outside of the region. High heat prices are unchanged and the market tone is steady. Demand is better on a limited basis for high heat NDM. Production levels are increasing seasonally. Stocks are excessive of current needs.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0100 - 1.0400 MOSTLY: 1.0200 - 1.0300

HIGH HEAT: 1.0450 - 1.0550

**DRY BUTTERMILK - WEST**

Buttermilk prices retreated following increases last week. The market tone is steady. Producers were asking and getting higher prices for several loads early last week, but were not able to replicate those prices. They then lowered prices to try to stimulate more demand with limited success. Production is mixed and is following butter production patterns in the region. Stocks are light to moderate and are slightly higher than last week.

BUTTERMILK: .9000 - .9400 MOSTLY: .9100 - .9300

**DRY WHEY - WEST**

Both range and mostly prices moved higher for Western whey powder. Both export and domestic sales are good. New export orders are occurring as well as filling of existing orders. Domestic demand is often being delayed until product is available. A number of Western plants are not making extra grade edible product at this time. Much of it is termed off-spec and it can't be used by every buyer for every application. This is causing some buyers to scramble to find product that they can use. Contacts hope that this current situation is short lived.

NONHYGROSCOPIC: .2200 - .2400 MOSTLY: .2225 - .2300

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 10, on powder sales of 11,708,251 pounds f.o.b. California manufacturing plants was \$1.0349 per pound. This compares to 10,916,181 pounds at \$1.0319 for the previous week ending April 3, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST and SOUTHEAST**

Prices and the market tone are unchanged. Contacts report a continued weakness in the market, but see little or no further drop in prices. Most feel that eastern producers are not likely to lower prices much further, particularly on low heat, since many are at or slightly below the current support price of \$1.0280. High heat powder sales continue to be reported as fair to good. With all the milk that is currently available, little high heat is being made at this time. Producers are operating at capacity levels to clear all the surplus milk that has been available since the Easter weekend. Plant stocks are moderate to heavy. Some operations have contracts which are clearing some powder, but most contacts report that sales are not keeping up with output and stocks are accumulating. For the first time in a long while, the term CCC popped into conversations with Eastern producers. Though unlikely in the near future, offerings to CCC could be a possibility later in the spring flush.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST: 1.0200 - 1.1100 MOSTLY: 1.0300 - 1.0500  
DELVD SOUTHEAST: 1.0550 - 1.0850

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are mostly unchanged. Production levels are steady to lighter as most butter/powder plants have so much skim to process, they have little time to dry buttermilk. However, churning activity is heavier and there are increasing volumes of buttermilk to be dried or cleared as liquid. Producers' stocks are quite well balanced, but a few are building inventories in anticipation of summer needs. Demand for dry buttermilk is just fair, but ice cream producers are taking more liquid and powder as it is a relatively inexpensive source of butterfat.

F.O.B. NORTHEAST: .9400 - .9600  
DELVD SOUTHEAST: .9400 - 1.0025

**DRY WHOLE MILK - NATIONAL**

Prices are mostly steady and the market tone is unchanged. Production levels are off in some plants that have heavy volumes of milk to process as quickly as possible. Producer stocks are well balanced and spot demand is limited. The Kansas City Commodity Office announced the purchase of 1,380 MT (3,042,348 pounds) of dry whole milk, packed in 25 KG bags at prices ranging \$1.2600 - 1.4098 per pound. The purchases are for the Food for Progress Program and shipment in May and June 1998.

F.O.B. PRODUCING PLANT: 1.3000 - 1.3700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1997 THROUGH APRIL 10, 1998  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	92,216 MT (203,371,441 LBS)
CHANGE	--	1,616 MT (3,562,634 LBS)
WHOLE MILK POWDER	--	7,487 MT (16,505,840 LBS)
Program allocations filled		
CHEESE	--	3,136 MT (6,913,626 LBS)
CHANGE	--	43 MT (94,798 LBS)
BUTTERFAT	--	15,648 MT (34,497,580 LBS)

Allocations for the DEIP year beginning July 1, 1997, are:  
Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;  
Cheese - 3,510 MT; Butterfat - 34,232 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly lower and the market tone is weak, although not as weak as it has been. Some producers have discontinued or reduced their price discounts after moving desired volumes. However, demand is still sluggish. Contracted volumes are moving, but there is little new spot interest. In the East, export demand is spotty, mostly slow. Word of some Midwestern whey moving to Mexico is circulating and having a temporary effect on the market. Production levels are heavy as most Eastern cheese makers had a lot of milk available to them over the Easter weekend. Most cheese makers expect these heavy volumes to continue into May and June. Producers' stocks range from light to adequate.

F.O.B. NORTHEAST:	EXTRA GRADE	.2175 - .2275
	USPH GRADE A	.2325 - .2450
DELVD SOUTHEAST:		.2400 - .2575

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. The market tone remains weak. Offerings of whey powder are fully adequate to meet all needs and animal feed makers are cautious about making purchases. Most feel that prices could move lower as production increases during the spring flush. Demand from animal feed users is slow to fair.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are about steady, but heavier volumes of surplus milk have been available since the Easter weekend. Retail demand for canned evaporated milk is slow to fair. Plant stocks are increasing. This is typical for this time of year. The Kansas City Commodity office announced the issuance of EVD-1, invitation 440, inviting competitive offers to sell to CCC 1,615,680 pounds of evaporated milk for shipment in June 1998.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.50 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets are steady to weak with prices unchanged to lower. The weak tone in recent weeks is now evidenced by lower prices at the top end of the price ranges. Stocks from sourcing countries are reported to be fully sufficient for U.S. needs. Domestic buying interest remains stable at regular levels. Most buyers do not anticipate any major complications with delivery schedules. Production will be increasing from European sources while winding down from the Oceania region. During January, casein imports totaled 6,352,854 kg (6,353 mt), 39% more than January 1997. New Zealand is the leading source country with over 60% of the monthly imports.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.1000 - 2.1700
ACID:	2.0000 - 2.1000

## COFFEE, SUGAR, &amp; COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	04/02	04/03	04/06	04/07	04/08	04/09	04/10	04/13	04/14	04/15
<b>CSCE - BFP</b> -- Dollars per cwt.										
MAR 98	12.90 (128) 37									
APR 98	12.05 (86) 5	12.30 (89) 7	12.27 (92) 0	12.23 (101) 14	12.20 (106) 7	12.08 (106) 2		12.10 (106) 2	12.13 (106) 5	12.13 (103) 0
MAY 98	11.60 (117) 7	11.75 (124) 25	11.84 (129) 5	11.88 (139) 24	11.88 (141) 2	11.69 (142) 1		11.67 (157) 31	11.69 (159) 3	11.72 (157) 0
JUN 98	11.65 (74) 5	11.74 (88) 14	11.83 (88) 0	11.86 (93) 6	11.82 (94) 1	11.67 (96) 2		11.65 (101) 7	11.63 (101) 2	11.61 (101) 1
JUL 98	11.80 (133) 21	11.90 (158) 11	11.90 (158) 2	11.90 (158) 0	11.88 (158) 0	11.81 (158) 1	NO TRADING	11.65 (161) 9	11.68 (170) 26	11.70 (167) 1
AUG 98	12.07 (26) 2	12.10 (28) 2	12.02 (28) 0	12.18 (28) 2	12.08 (29) 1	12.06 (29) 2		12.03 (29) 0	12.08 (30) 1	12.07 (31) 3
SEP 98	12.40 (18) 2	12.45 (19) 1	12.42 (19) 0	12.47 (19) 0	12.47 (19) 0	12.47 (19) 0		12.43 (20) 1	12.40 (21) 1	12.43 (21) 0
OCT 98	12.50 (11) 3	12.55 (11) 0	12.55 (11) 0	12.58 (11) 0	12.55 (11) 0	12.48 (11) 0		12.55 (11) 0	12.58 (12) 1	12.58 (12) 0
<b>CME - BUTTER</b> -- Cents per pound										
MAY 98	136.00 (30) 0	136.50 (30) 4	135.95 (30) 0	135.50 (33) 5	135.00 (31) 5	135.00 (32) 2		135.00 (32) 0	135.00 (32) 0	135.00 (32) 0
JUL 98	135.75 (20) 2	136.25 (21) 1	136.25 (21) 0	136.00 (21) 0	136.00 (21) 0	136.00 (21) 0	NO TRADING	136.00 (21) 0	136.00 (21) 0	136.00 (21) 0
SEP 98	136.10 (1) 0	136.25 (1) 0	136.25 (1) 0	136.25 (1) 0	136.25 (1) 0	136.25 (1) 0		136.25 (1) 0	136.25 (1) 0	136.25 (1) 0
<b>CME - BFP</b> -- Dollars per cwt.										
MAR 98	12.90 (241) 3									
APR 98	12.01 (167) 6	12.26 (166) 1	12.27 (161) 14	12.24 (175) 19	12.24 (192) 43	12.20 (215) 33		12.10 (218) 14	12.11 (236) 30	12.13 (237) 4
MAY 98	11.60 (228) 11	11.84 (254) 51	11.88 (265) 37	11.90 (263) 30	11.89 (268) 29	11.79 (267) 34		11.70 (272) 28	11.70 (267) 17	11.75 (264) 10
JUN 98	11.60 (157) 7	11.85 (156) 8	11.86 (177) 28	11.85 (176) 16	11.83 (184) 23	11.75 (192) 14		11.65 (198) 16	11.61 (205) 13	11.66 (200) 13
JUL 98	11.60 (331) 1	11.86 (334) 16	11.87 (335) 14	11.87 (335) 0	11.86 (341) 12	11.75 (342) 2	NO TRADING	11.69 (369) 40	11.68 (356) 12	11.68 (358) 16
AUG 98	12.00 (76) 0	12.05 (79) 4	12.05 (80) 1	12.05 (81) 1	12.05 (84) 8	12.00 (84) 0		11.98 (84) 1	11.97 (88) 7	11.99 (88) 1
SEP 98	12.50 (51) 1	12.55 (50) 1	12.51 (60) 10	12.51 (60) 2	12.51 (60) 0	12.51 (60) 0		12.47 (60) 0	12.44 (60) 0	12.48 (60) 1
OCT 98	12.55 (35) 0	12.55 (35) 0	12.55 (35) 0	12.55 (35) 0	12.55 (35) 0	12.55 (35) 0		12.55 (35) 0	12.50 (35) 0	12.54 (37) 3
NOV 98	12.45 (18) 1	12.50 (18) 0	12.50 (19) 1	12.50 (19) 0	12.50 (19) 0	12.45 (19) 0		12.59 (22) 3	12.50 (23) 5	12.52 (24) 1
<b>CME - CHEDDAR CHEESE</b> -- Cents per pound										
MAR 98	135.50 (68) 0	136.07 (68) 0								
MAY 98	128.00 (54) 2	128.00 (59) 6	128.10 (59) 0	128.10 (59) 0	128.50 (59) 0	128.50 (59) 10		127.05 (59) 0	127.05 (61) 2	127.05 (61) 0
JUL 98	130.00 (77) 11	130.00 (77) 0	130.00 (77) 0	130.00 (77) 0	130.00 (77) 0	130.00 (77) 0	NO TRADING	128.50 (77) 0	128.00 (77) 0	128.00 (96) 36
SEP 98	137.70 (1) 0	137.70 (1) 0	137.70 (1) 0	137.70 (1) 0	137.70 (1) 0	137.70 (1) 0		137.70 (1) 0	135.20 (1) 0	134.50 (2) 1

1/ Open interest for cheddar -- 4 contracts equal 40,000 pounds.

For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 6 - 17, 1998

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** Typical early spring weather conditions prevailed in most areas of Europe. Favorable weather conditions for a few days are followed by cooler/wet conditions for the next few. In light of the fluctuating conditions, many milk handlers are anticipating a spring flush a few weeks later than previously predicted which would be more in line with past years. Overall milk production is increasing, but is lagging last year at this time. Basically, internal trading activity is all that is occurring throughout Europe. International buyer interest is very light and unaggressive. Stock levels range from comfortable to heavier than desired with SMP clearing to intervention and butter entering PSA storage. As milk production seasonally increases, production of skim milk powder is also on the rise. Due to light buyer interest, offerings to intervention are building and are expected to be quite heavy as the spring flush progresses.

**BUTTER/BUTTEROIL:** Butter markets remain steady to weak. Prices are unchanged to lower. A bright spot in the butter markets is a stronger internal or domestic demand. This is being attributed to the post Easter holiday when buyers once again refill the food distribution pipelines. Outside of this, overall buying interest remains light. Butteroil demand is equally lackluster. Stock positions of both butter and butteroil are reported to be excessive of current demand, thus PSA storage is being considered.

82% BUTTERFAT:	1,650 - 2,000
99% BUTTERFAT:	2,200 - 2,300

**SKIM MILK POWDER (SMP):** The overall tone to the SMP market is steady to weak, although the reported price range is steady to slightly higher. The slightly higher price does not indicate a firmer market, but is a price quote that previously was not reported. Skim powder production is building seasonally. Lack of sales is causing producers to seriously consider intervention clearance. Most European traders anticipate that intervention will receive large volumes of SMP unless the international market becomes more active in the near future.

1.25% BUTTERFAT:	1,450 - 1,530
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**WHOLE MILK POWDER (WMP):** Whole milk powder market conditions and prices are unchanged. Seasonal milk production increases are not being processed through whole milk operations. With limited buyer interest, diverting milk away from whole milk powder is what is currently occurring. Producers state that once demand improves, they do not anticipate any problems in securing sufficient milk volumes to fill needs at that time.

26% BUTTERFAT:	1,650 - 1,750
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**SWEET WHEY POWDER:** Whey markets are generally steady at unchanged prices. Whey powder production remains seasonally low, but will increase as cheese output builds. At this time, overall milk volumes are not increasing as quickly as previously predicted, thus cheese and whey production is still light. Producers and handlers of whey are comfortable with current conditions as supplies are sufficient for the unaggressive buyer interest.

NONHYGROSCOPIC:	500 - 600
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**OVERVIEW: EASTERN EUROPE:** Weather conditions in Eastern Europe are causing milk production increases to not build as quickly as previously indicated. Pasture growth is slow, thus grazing will be 2 - 3 weeks later than projected. One good factor is that feed stocks are sufficient from the winter to sustain a good production base until cows can graze. Trading outside of Eastern Europe is slow. Stocks are sufficient for internal needs. Traders are comfortable with the current supply/demand situation, but are anxious to resume more aggressive sales activity.

## OCEANIA

**OVERVIEW:** The milk production season continues to wind down. A very strong start to the season is being offset by quite a disappointing conclusion in the eyes of many milk handlers. In New Zealand, production during the start of the flush season was being reported as high as nearly 18% above the comparable month last year. Now the complete reverse is happening and reports are indicating declines of 14 - 15% below the comparable month last year. The milk production cycle in Australia is much the same, but not as drastic of a swing is being reported. Overall dairy product trading activity is slow and unaggressive. Stock levels of most products are in a comfortable position, thus most traders are not overly anxious about the lack of sales at this time. Oceania traders continue to look to other potential markets to possibly generate some buyer interest.

**BUTTER:** Oceania butter markets remain steady at unchanged prices. Trading is slow and unaggressive. Current sales activity is centering around previously made contracts. Traders state that stock levels are in good balance and are not a major concern at this time. Churning schedules are declining seasonally.

82% BUTTERFAT:	1,700 - 1,750
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**CHEDDAR CHEESE:** Cheese prices are steady to weak, but the market tone is basically steady. Cheese sales activity remains light. Reports of some sales at the low end of the range are surfacing, but most of the limited sales that are occurring are at the mid to upper end of the reported range. Traditional markets for Oceania cheese are still being influenced by the financial unsettledness of Southeast Asia. Some traders do not foresee a turn-around in demand in the near future.

39% MAXIMUM MOISTURE:	1,800 - 2,100
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**SKIM MILK POWDER (SMP):** Skim milk powder markets are generally steady, although prices are unchanged to lower. Traders are reporting slow sales activity at this time. Many traders are unsure as to when this market will become more active, but for the time being, traders are holding stocks with confidence. Stock levels, though fully available, are not burdensome for most producers.

1.25% BUTTERFAT:	1,400 - 1,500
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady, although prices are unchanged to slightly higher. Overall trading activity is light and unaggressive and continues to center around previously made contracts. As the milk production season draws to a close, milk handlers are reviewing inventories of dairy products to direct milk volumes to receive the best returns. In instances, whole milk powder production is receiving the nod versus other products at this time.

26% BUTTERFAT:	1,700 - 1,750
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Exchange rates for selected foreign currencies: April 13, 1998

.4870 Dutch Guilder	.5483 German Mark
.1636 French Franc	.5516 New Zealand Dollar
.1174 Mexican Peso	.6548 Australian Dollar
1.6681 British Pound	.0077 Japanese Yen
.2923 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1174) = 8.5179$ . That is 1 US Dollar equals 8.5179 Mexican Pesos.

Source: "Wall Street Journal"



## GRADE A/B MANUFACTURING PRICE

At the request of the Agricultural Marketing Service of the U.S. Department of Agriculture (USDA), the National Agricultural Statistics Service of USDA has been collecting a manufacturing plant pay price series representing prices paid for milk used in the manufacture of dairy products, regardless of grade. This new price series first appeared in the USDA report, "Study of Alternatives to the Minnesota-Wisconsin Price," which was issued in September 1991. The Grade A/B manufacturing price is the average price paid to producers for milk delivered to a plant in Minnesota and Wisconsin for manufacturing use, before hauling costs and producer assessments are deducted. The price includes quantity, quality, protein and other premiums paid to producers, but excludes hauling subsidies and the Federal order "pool draw." Listed below is this price series for January-December 1997. **Please note that this price series no longer is being collected.**

Year and month	Grade A/B manufacturing price	Milkfat test	Grade A/B manufacturing price at 3.5% milkfat <sup>1/</sup>	Protein test	Hauling subsidy
	\$/cwt.	Pct.	\$/cwt.	Pct.	\$/cwt.
<b>1997</b>					
JAN	13.19	3.84	12.92	3.25	.32
FEB	13.65	3.82	13.33	3.25	.31
MAR	13.62	3.82	13.27	3.20	.33
APR	12.33	3.80	12.05	3.17	.33
MAY	11.44	3.74	11.22	3.17	.36
JUN	11.47	3.62	11.33	3.12	.35
JUL	11.65	3.59	11.55	3.08	.36
AUG	13.07	3.63	12.93	3.14	.37
SEP	13.71	3.71	13.49	3.20	.34
OCT	14.26	3.81	13.79	3.26	.36
NOV	14.71	3.88	14.08	3.29	.36
DEC	14.79	3.84	14.38	3.26	.37

<sup>1/</sup> Adjusted to 3.5 percent butterfat using the butterfat differential used to adjust the Federal milk order Basic Formula Price.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,  
JANUARY 1998, WITH COMPARISONS**

In January 1998, mailbox milk prices reported for selected Federal milk orders averaged \$14.34 per cwt., \$.11 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$14.03, down \$.15; Southeast, \$15.59, up \$.02; Midwest, \$14.47, down \$.13 and West, \$13.67, down \$.09. Compared to January 1997, mailbox milk prices increased \$1.34 per cwt. on the average. Regional changes from the previous year were: +\$1.29 in the Northeast, +\$.92 in the Southeast, +\$1.45 in the Midwest, and +\$1.39 in the West. The average minimum blend price in January 1998 was \$1.28 above the price in the previous year.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	January 1997	December 1997	January 1998
	<u>Dollars per hundredweight</u>		
New England	13.03	14.08 <u>3/</u>	13.94 <u>3/</u>
New York-New Jersey	12.59	14.15	14.05
Middle Atlantic	12.75	14.38	14.08
Northeast Average <u>4/</u>	12.74	14.18	14.03
Carolina	14.96	15.33	15.51
Tennessee Valley <u>1/</u>	14.21	---	---
Southeast	13.85	14.81	14.84
Florida <u>5/</u>	16.04	17.21	17.05
Southeast Average <u>4/</u>	14.67	15.57	15.59
Southern Michigan	13.05	14.29	14.20
Eastern Ohio-Western Pa.	12.87	14.48	14.41
Ohio Valley	13.02	14.49	14.41
Indiana	13.03	14.48	14.50
Chicago Regional	13.21	14.75	14.59
S. Illinois-E. Missouri	12.54	14.32	14.40
Louis.-Lex.-Evans.	13.28	14.46	14.61
Upper Midwest	12.88	14.68	14.50
Nebraska-Western Iowa	12.67	14.40	14.18
Iowa	12.84	14.50	14.31
Midwest Average <u>4/</u>	13.02	14.60	14.47
Texas	12.98	14.59	14.60
Southwest Plains	12.37	13.84	13.84
Eastern Colorado	12.18	13.47	13.66
S.W. Idaho-E. Oregon	11.92	13.57	13.43
Great Basin	11.58	12.99	12.59
New Mexico-West Texas	12.15	13.54	13.32
Pacific Northwest	12.04	13.48	13.40
West Average <u>4/</u>	12.28	13.76	13.67
All-Market Average <u>4/</u>	13.00	14.45*	14.34

\* Revised.

1/ Federal milk orders for which information could be released; the Tennessee Valley order was terminated 10/1/97. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. Also, for some orders, price is a weighted average for all pricing zones in the order. 3/ Includes Northeast Dairy Compact Over Order Producer Price. 4/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 5/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders.

## MARCH MILK PRODUCTION

Milk production in the 20 major states during March totaled 11.8 billion pounds, up 1.4 percent from production in these same states in March 1997. February revised production, at 10.4 billion pounds, was up 1.1 percent from February 1997. Production per cow in the 20 major states averaged 1,529 pounds for March, 29 pounds above March 1997. The number of cows on farms in the 20 major states was 7.73 million head, 38,000 head below March 1997 and 1,000 head below February 1997. The January-March quarterly production of milk for the U.S. was 39.3 billion pounds, up 0.8 percent from the January-March period in 1997. The average number of milk cows in the U.S. during January-March quarter was 9.18 million head, 111,000 head less than the same period last year.

STATE	MILK COWS <u>1/</u> <u>2/</u>				MILK PRODUCTION <u>1/</u> <u>3/</u>			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	1997	1998	1997	1998	1998	% CHANGE FROM 1997	1998	% CHANGE FROM 1997
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	—	—	31	28	—	—	112	-4.3
AK	—	—	0.9	0.9	—	—	3.52	1.4
AZ	125	130	124	130	246	-6.1	696	-4.7
AR	--	--	54	53	--	--	170	0.0
CA	1,311	1,360	1,307	1,357	2,434	2.9	6,857	4.3
CO	--	--	85	83	--	--	405	-4.9
CT	--	--	29	30	--	--	135	6.3
DE	--	--	10	11	--	--	44	14.9
FL	162	162	160	161	225	-9.3	654	-9.3
GA	--	--	97	95	--	--	401	-2.7
HI	--	--	9.5	9.0	--	--	29.9	-7.1
ID	264	284	266	283	474	15.9	1,357	15.6
IL	148	144	149	144	213	6.0	596	2.4
IN	140	140	140	140	197	6.5	554	3.4
IA	246	238	247	239	350	1.7	1,000	2.7
KS	--	--	82	80	--	--	330	0.0
KY	147	136	148	137	158	-3.7	441	-5.6
LA	--	--	78	75	--	--	219	-2.2
ME	--	--	39	39	--	--	159	-1.9
MD	--	--	86	87	--	--	348	3.9
MA	--	--	26	25	--	--	104	-3.7
MI	306	300	309	299	459	-1.3	1,305	-3.3
MN	590	570	592	572	807	-1.2	2,318	-1.4
MS	--	--	48	43	--	--	169	-7.7
MO	172	158	173	159	208	-2.3	578	-4.3
MT	--	--	19	18	--	--	72	-2.7
NE	--	--	69	69	--	--	264	2.7
NV	--	--	26	26	--	--	127	10.4
NH	--	--	19	18	--	--	82	-1.2
NJ	--	--	21	19	--	--	74	-2.6
NM	199	211	198	209	350	1.4	996	1.5
NY	700	697	700	698	997	0.3	2,842	0.2
NC	--	--	77	74	--	--	319	-1.8
ND	--	--	59	48	--	--	162	-11.5
OH	284	272	285	272	388	-0.3	1,106	-2.0
OK	--	--	97	96	--	--	322	-0.9
OR	--	--	92	88	--	--	387	-1.0
PA	636	636	639	637	973	3.6	2,779	4.8
RI	--	--	2.0	2.0	--	--	8.0	-2.4
SC	--	--	26	24	--	--	102	-8.1
SD	--	--	106	102	--	--	341	0.6
TN	--	--	115	103	--	--	395	-7.3
TX	389	376	390	377	538	-4.3	1,502	-6.7
UT	--	--	92	88	--	--	361	-3.5
VT	155	157	155	157	230	4.1	662	4.3
VA	124	120	124	120	163	-0.6	473	0.9
WA	265	261	266	261	448	-1.8	1,284	-1.3
WV	--	--	19	18	--	--	71	9.2
WI	1,400	1,373	1,404	1,376	1,950	2.8	5,558	2.0
WY	--	--	6.1	5.5	--	--	17.6	-15.0
22 STATE TOTAL	7,763	7,725	—	--	11,808	1.4	--	--
U.S. <u>4/</u> <u>5/</u>	--	--	9,295	9,184	—	—	39,292	0.8

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (4-98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEBRUARY FLUID MILK SALES HIGHLIGHTS

During February, sales of fluid milk products in comparable Federal milk order marketing areas and California were 0.4 percent below the previous year but 0.7 percent above January 1998 on an adjusted daily average basis. Sales of whole milk items were 0.6 percent below the previous year; sales of lowfat and skim milk items were 0.2 percent below the previous year. Total fluid milk sales were higher the Far West, and lower in all other regions.

**SUMMARY OF PACKAGED SALES OF WHOLE MILK ITEMS, LOWFAT AND SKIM MILK ITEMS, AND TOTAL FLUID MILK ITEMS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, FEBRUARY 1997, WITH COMPARISONS 1/**

Region 4/	Whole Milk Items 2/				Lowfat and Skim Milk Items 3/				Total Fluid Items			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Feb	Year to date	Prev. year 5/	Year to date 5/	Feb	Year to date	Prev. year 5/	Year to date 5/	Feb	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	318	672	-1.5	-2.5	426	897	0.2	-0.6	744	1,569	-0.5	-1.4
Southeastern	307	653	-1.6	-2.9	429	903	1.0	0.1	736	1,556	-0.1	-1.2
Midwest	243	515	0.5	-1.3	878	1,866	-1.3	-1.8	1,122	2,382	-0.9	-1.7
Southwest	153	329	-1.4	-2.8	197	416	-0.3	-1.6	351	745	-0.8	-2.1
Far West	310	649	0.7	-0.8	639	1,343	0.2	-0.7	949	1,992	0.3	-0.7
All Areas Combined	1,332	2,819	-0.6	-2.0	2,569	5,425	-0.2	-1.0	3,902	8,244	-0.4	-1.3

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 90 percent of total fluid milk sales in the U.S. 2/ Whole milk items include plain, flavored, and miscellaneous whole milk products. 3/ Lowfat and skim milk items include plain, solids added, flavored, and miscellaneous lowfat and skim milk products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 65, report #12. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition. See DMN Vol. 59, report #13.

**PACKAGED SALES OF FLUID MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, JANUARY 1998, WITH COMPARISONS 1/**

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole milk 2/	1,486	-3.2	-3.2
2% Lowfat Milk	1,375	-3.9	-3.9
1% Lowfat Milk 3/	692	0.8	0.8
Skim Milk	731	0.5	0.5
Buttermilk	48	-3.3	-3.3
Total Fluid Milk Products 4/	4,342	-2.2	-2.2

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Tennessee Valley market, which was terminated October 1, 1997, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

2/ Includes flavored whole milk. 3/ Includes flavored lowfat and skim milk. 4/ Includes miscellaneous products.

**SOURCE:** Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

### CCC PURCHASES OF DAIRY PRODUCTS

	:	FOR THE WEEK OF OF APRIL 13 - 17, 1998			:	CUMULATIVE TOTALS			:	UNCOMMITTED INVENTORIES			:		
	:	TOTAL	:	CONTRACT	:	ADJUSTED	:	SINCE	:	SAME PERIOD	:	PERIOD ENDING	:	SAME PERIOD	:
	:	PURCHASES	:	ADJUSTMENTS	:	PURCHASES	:	10/01/97	:	LAST YEAR	:	04/10/98	:	LAST YEAR	:
BUTTER	:		:		:		:		:		:		:		:
Bulk	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
Packaged	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
CHEESE	:		:		:		:		:		:		:		:
Block	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
Barrel	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
Process	:	-0-	:	-0-	:	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:
NONFAT DRY MILK	:		:		:		:		:		:		:		:
Nonfortified	:	3,917,494	:	-0-	:	3,917,494	:	49,176,281	:	-0-	:	-0-	:	-0-	:
Fortified	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:
TOTAL	:	3,917,494	:	-0-	:	3,917,494	:	49,176,281	:	-0-	:	-0-	:	-0-	:

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF APRIL 13 - 17, 1998 =	0.9	45.6	COMPARABLE WEEK IN 1997 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1997 =	10.8	572.4	CUMULATIVE SAME PERIOD LAST YEAR =	4.5	4.8
CUMULATIVE JANUARY 1 - APRIL 17, 1998 =	9.1	481.0	COMPARABLE CALENDAR YEAR 1997 =	4.5	4.8

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/97 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL											
:	BUTTER		:	CHEESE		:	NONFAT DRY MILK		:	MILK EQUIVALENT	
REGION	1997/98	1996/97	:	1997/98	1996/97	:	1997/98	1996/97	:	1997/98	1996/97
MIDWEST	-0-	-0-	:	-0-	483,600	:	4,647,658	-0-	:	9.5	100.0
WEST	-0-	-0-	:	-0-	-0-	:	44,418,448	-0-	:	90.3	0.0
EAST	-0-	-0-	:	-0-	-0-	:	110,175	-0-	:	0.2	0.0
TOTAL	-0-	-0-	:	-0-	483,600	:	49,176,281	-0-	:	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - \$10.05 per cwt.; 3.5% - \$9.95

## DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1150; 500# Barrels \$1.0850; Process American 5# \$1.1675; Process American 2# \$1.2075

NONFAT DRY MILK: Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 03/28/98 & Comparable Week 1997 1/ 2/)

Daily Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 6/28/98															Comparable Week	
Regions*												U.S. TOTAL		% DAIRY OF ALL		
		1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1		WEEK SINCE JAN 1		
1998-Dairy cows	HD (000)	0.3	1.5	6.3	5.6	19.5	3.0	3.0	1.3	10.5	3.3	54.4	740.0	49.7	49.3	
1997-Dairy cows	HD (000)	0.4	1.6	6.1	5.4	23.0	2.5	3.5	1.4	8.4	3.6	55.8	798.1	45.7	46.9	
1998-All cows	HD (000)	0.3	1.5	8.5	14.7	27.8	14.9	17.6	5.8	12.2	6.1	109.5	1,500.0			
1997-All cows	HD (000)	0.4	1.6	8.3	16.7	31.1	16.1	20.3	9.3	11.1	7.3	122.2	1,703.1			

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

## CCC MARKET PRICE INVITATIONS (POUNDS) 4/10

<u>PROCESS</u>		<u>JUNE DELIVERY</u>	
2# PROCESS LOAF		831,600	
5# PROCESS LOAF		475,200	OFFERS ARE DUE APRIL 21. PUBLIC RELEASE
PROCESS SLICED		871,200	OF AWARDS WILL BE 4:00 PM CDT APRIL 24.
<u>MOZZARELLA</u>			
MOZZARELLA		403,200	
MOZZARELLA, LMPs	1,088,640		
SHREDDED LITE MOZZARELLA		40,320	
<u>CHEDDAR</u>			
BLOCKS		119,850	
CHEDDAR CUTS		79,900	
BARRELS		80,000	
REDUCED FAT - SHREDDED		153,600	

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 = 43,811,645

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 = 85,979

## BASIC FORMULA PRICE (BFP), MAY 1995\* TO DATE &amp; HISTORIC M-W (3.5% BF, \$/CWT.)

[illegible]